

Company number 10480375

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

CODAT LIMITED (Company)

24<sup>th</sup> February 2017 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the resolutions 1 & 2 below are passed as a special resolutions and resolution 3 below is passed as an ordinary resolution

**SPECIAL RESOLUTIONS**

- 1 That the draft articles of association attached to this resolution ("**New Articles**") be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association including the relevant provisions of the memorandum of association that would otherwise be treated as provisions of the articles of association under section 28 of the Companies Act 2006
2. That, in accordance with article 16.3 of the New Articles, the Directors be generally empowered to allot and issue equity securities (as defined in section 560 of the Companies Act 2006) up to an aggregate nominal amount of £111.11 as if the pre-emption rights set out in articles 16.3 to 16.7 (inclusive) of the Company's articles of association did not apply to any such allotment and issues

**ORDINARY RESOLUTION**

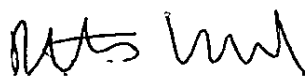
- 3 THAT the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £111.11, provided that this authority shall expire on 28 February 2022 or, if earlier, at the conclusion of the next annual general meeting of the Company but, in each case, so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired

**AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the resolutions

I the undersigned, being a person entitled to vote on the above resolutions on the Circulation Date, hereby irrevocably agree to the resolutions



  
Signature

24<sup>th</sup> February 2017  
Date

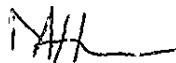
PETER LORD  
Name of shareholder

Name and title of signatory (corporate shareholders only)

#### NOTES

- 1 You can choose to agree to the all of the resolutions or none of them but you cannot agree to only some of the resolutions. If you agree to the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods
  - **By Hand** delivering the signed copy to Attention Alex Cardona, 17 Minstrel Court, Teesdale Close, London, E2 6PQ
  - **Post** returning the signed copy by post to Attention Alex Cardona, 17 Minstrel Court, Teesdale Close, London, E2 6PQ
  - **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to [alex@codat.io](mailto:alex@codat.io) Please enter "Written Resolution" in the e-mail subject box

If you do not agree to the resolutions, you do not need to do anything, you will not be deemed to agree if you fail to reply
- 2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement
- 3 Unless, by the date 28 days after the Circulation Date, sufficient agreement has been received for the resolutions to pass, they will lapse. If you agree to the resolutions, please ensure that your agreement reaches us before or during this date
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document



Signature

24/02/17

Date

DAVID HOARE.

Name of shareholder

Name and title of signatory (corporate shareholders only)

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Signature

24th February 2017  
Date

ALEXANDER CARDONA  
Name of shareholder

Name and title of signatory (corporate  
shareholders only)

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**ARTICLES OF ASSOCIATION  
OF  
CODAT LIMITED**



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**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
CODAT LIMITED**  
(Adopted by special resolution passed on  
24<sup>th</sup> February 2017)

**INTRODUCTION**

**1. INTERPRETATION**

**1 1** In these Articles, unless the context otherwise requires.

**Act:** the Companies Act 2006.

**Acting in Concert:** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended)

**Arrears:** in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share

**Articles:** the Company's articles of association for the time being in force

**Associate:** in relation to any person means:

- (a) any person who is an associate of that person (within the meaning of section 435 of the Insolvency Act 1986),
- (b) any Member of the Same Group as that person

**Available Profits:** profits available for distribution within the meaning of part 23 of the Act.

**Bad Leaver:** an Employee Shareholder who becomes a Departing Employee Shareholder and is not a Good Leaver

**Business Day:** any day which is not a Saturday, a Sunday or a bank or public holiday in England

**Chairman:** the Director (if any) appointed chairman in accordance with model article 12(1).

**Company:** Codat Limited a company incorporated and registered in England and Wales with company number 10480375

**Company's Lien:** has the meaning given in article 25 1

**Conflict:** has the meaning given in article 11 1.

**Controlling Interest:** an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010

**Contract:**

- (a) in relation to a Director or Employee Shareholder who is a consultant to a Group Company, his consultancy agreement with the Group Company,
- (b) in relation to a Director or Employee Shareholder who is an employee of a Group Company, his contract of employment with the Group Company, and
- (c) in relation to a Director who is not an employee of or consultant to a Group Company, his letter of appointment

**Deemed Transfer Notice** a Transfer Notice which is deemed to have been served under any of the provisions of these Articles

**Departing Employee Shareholder:** an Employee Shareholder who

- (a) gives or receives notice to terminate his engagement, office or employment (as applicable) with a Group Company or otherwise ceases to be a consultant to, or a director or employee of, a Group Company, or
- (b) does not continue as, or become, a consultant to, or a director or employee of a Group Company

**Director:** a director of the Company, and includes any person occupying the position of director, by whatever name called

**Eligible Director:** a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter)

**Employee Shareholder** a Shareholder who is, or has been, a consultant to (whether directly or indirectly, including as an employee, agent or sub-contractor of another company), or a director or employee of, a Group Company

**Encumbrance** any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected) other than liens arising by operation of law

**Fair Value:** has the meaning given in article 21 11

**Good Leaver:** an Employee Shareholder who becomes a Departing Employee Shareholder.

- (a) by reason of
  - (i) death, or
  - (ii) injury, ill-health or disability certified by a general medical practitioner (nominated or approved by the Directors as



rendering the Departing Employee Shareholder permanently incapable of performing his duties as a consultant to, or an employee or director of, any Group Company save where such incapacity has arisen as a result of the abuse of alcohol or drugs, or

- (iii) redundancy (such term having the meaning given by the Employment Rights Act 1996), or
  - (iv) retirement with the consent of a Group Company, or
  - (v) a Group Company ceasing to be a Group Company, or
  - (vi) the transfer of the business which employs or engages the Departing Employee Shareholder to a person that is not a Group Company, or
  - (vii) dismissal by a Group Company which is determined by an employment tribunal or a court of competent jurisdiction from which there is no right to appeal, to be wrongful or substantively (but not only procedurally) unfair, or
- (b) and does not fall within any of the above categories, but is nevertheless designated a Good Leaver by the Directors for the purpose of these Articles

**Group Companies.** the Company and each of its subsidiary undertakings (as defined in section 1162 of the Act) for the time being and **Group Company** shall be construed accordingly

**Interested Director:** has the meaning given in article 11 1

**Issue Price:** in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium

**Lien Enforcement Notice** a notice in writing which complies with the requirements of article 26 2

**Member of the Same Group.** in relation to a company, any company which is from time to time a parent undertaking or a subsidiary undertaking (in each case as defined in section 1162 of the Act) of that company or a subsidiary undertaking of any such parent undertaking

**Minimum Transfer Condition:** has the meaning given in article 19 2 4

**Model Articles.** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles

**Ordinary Share:** an ordinary share of £0.01 in the capital of the Company

**Relevant Agreements:**

- (a) the Articles,

- (b) the Shareholders Agreement,
- (c) in relation to a Director or Employee Shareholder, his Contract,

and **Relevant Agreement** shall mean any one of them

**Relevant Securities** any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the date of adoption of these Articles, other than

- (a) any Shares or other securities issued by the Company under an employees' share scheme (including any Shares issued on the exercise of options granted under an employees' share scheme),
- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles or the Shareholders Agreement,
- (c) any Shares or other securities issued by the Company that are paid up wholly or partly otherwise than in cash, including any Shares or other securities issued in consideration of the acquisition by the Company of any company or business

**Relevant Shares**

- (a) any and all Shares and other securities convertible into, or carrying the right to subscribe for Shares held by the Shareholder in question at the date of the Deemed Transfer Notice, and
- (b) any and all Shares and other securities convertible into, or carrying the right to subscribe for Shares acquired by the Shareholder in question after the date of the relevant Deemed Transfer Notice but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice

**Restricted Shares.** has the meaning given in article 20 5

**Sale Shares:** has the meaning given in article 19 2 1

**Seller** has the meaning given in article 19 2

**Share:** a share in the Company

**Shareholder:** a person who is a holder of one or more Shares

**Shareholder Consent.**

- (a) the agreement, as evidenced in writing, of a Shareholder Majority, or
- (b) a special resolution

**Shareholder Majority:** the holder(s) for the time being of at least 75% of the total voting rights attaching to all issued Shares at that time in issue in the capital of the Company

**Shareholders Agreement:** any shareholders' agreement in force between the Shareholders and the Company (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being)

**Transfer Notice** has the meaning given in article 19 2

**Transfer Price** has the meaning given in article 19 2 3

**Valuer** has the meaning given in article 21

**Writing or written:** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

- 1 2 Unless expressly provided otherwise in these Articles, a reference in these Articles to
- 1 2 1 an **article** is a reference to the relevant numbered article of these Articles, and
- 1 2 2 a **model article** is a reference to the relevant numbered article of the Model Articles
- 1 3 Unless expressly provided otherwise in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the date of adoption of these Articles)
- 1 4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 5 A **person** includes a natural person, partnership, unincorporated association, body corporate, government, state or agency of a state, local or municipal authority or government body or a joint venture wherever incorporated or situated (in each case whether or not having separate legal personality) and includes that person's legal personal representatives and successors
- 1 6 A **company** includes any company, corporation or other body corporate, wherever and however incorporated or established
- 1 7 Unless expressly provided otherwise in these Articles, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1 7 1 any subordinate legislation from time to time made under it, and
- 1 7 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 8 Words in the singular shall include the plural and vice versa. A reference to one gender shall include the other gender and neuter and vice versa

- 1 9 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 10 Any obligation in these Articles on a person not to do something includes an obligation not to agree or allow that thing to be done
- 1 11 Unless expressly provided otherwise in these Articles, where a person gives his agreement, consent or approval in respect of any matter orally at a quorate board or general meeting, such agreement, consent or approval shall be deemed to have been given in writing if it is recorded in the minutes of the meeting and a copy of the minutes is sent to the person in question and such person does not disagree with the record contained in the minutes within 15 Business Days of receipt

## **2. ADOPTION OF THE MODEL ARTICLES**

- 2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modification, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 2 2 Model article 9(4), 13, 14(1) to (4) (inclusive), 17(2) and (3), 18, 26(5), 44(2), 49, 52 and 53 shall not apply to the Company
- 2.3 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in the Articles"
- 2 4 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur"
- 2 5 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2 6 Model article 27(3) shall be amended by the insertion of the words ", subject to the articles," after the word "But"
- 2 7 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 2 8 Model articles 31(1)(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the Directors may otherwise decide"
- 2 9 In model article 35, the words "giving the Company notice in writing to that effect" shall be deleted and replaced with the word "deed"
- 2 10 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before

the demand was made" as a new paragraph at the end of that article

- 2 11 Model article 45(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article
- 2 12 Model article 45(1)(d) shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

## **DIRECTORS**

### **3. NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall not be less than one

### **4. SECRETARY**

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors

### **5. APPOINTMENT OF DIRECTORS**

- 5 1 In any case where, as a result of death or bankruptcy (or individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy), the Company has no Shareholders and no Directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a Director
- 5 2 For the purposes of article 5 1, where two or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder

### **6. TERMINATION OF DIRECTORS' APPOINTMENT**

- 6 1 A person ceases to be a Director as soon as
  - 6 1 1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
  - 6 1 2 a bankruptcy order (or order relating to individual insolvency proceedings in a jurisdiction other than England and Wales which has an effect similar to that of bankruptcy) is made against that person and the other Directors (acting by majority) serve notice on that person requiring him to resign as a Director,

- 6 1 3 a composition is made with that person's creditors generally in satisfaction of that person's debts and the other Directors (acting by majority) serve notice on that person requiring him to resign as a Director,
- 6 1 4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months and the other Directors (acting by majority) serve notice on that person requiring him to resign as a Director,
- 6 1 5 that person is convicted of a criminal offence (other than a minor motoring offence or series of offences not resulting in disqualification) and the other Directors (acting by majority) serve notice on that person requiring him to resign as a Director,
- 6 1 6 that person fails, without the permission of the Directors, to participate in the decision-making processes of the Directors for a period exceeding three consecutive months and the other Directors (acting by majority) serve notice on that person requiring him to resign as a Director,
- 6 1 7 that person is in material breach of a Relevant Agreement and, where such breach is remediable, fails to remedy the breach within 15 Business Days of receiving notice to remedy the same from a majority of the other Directors, and the other Directors (acting by majority) serve notice on that person requiring him to resign as a Director, or
- 6 1 8 in the case of a Director who is, or has been, a consultant to, or an employee of, a Group Company, that person ceases to be a consultant to, or an employee of, the Group Company for any reason and does not continue as, or become, a consultant to, or an employee of, any other Group Company, and the other Directors (acting by majority) serve notice on that person requiring him to resign as a Director
- 6 1 9 the other Directors (acting unanimously) serve notice on that person requiring him to resign as a Director, provided always that this article 6 1 9 shall only apply if the Company has more than two Directors
- 6 2 Without prejudice to the provisions of section 168 of the Act, the Company may by ordinary resolution (whether at a general meeting or in writing and without special notice) remove any Director from his office

## **DECISION-MAKING BY DIRECTORS**

### **7. CALLING A DIRECTORS' MEETING**

Any Director may call a Directors' meeting on reasonable notice. Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting (whether before or after the meeting is held) by giving notice to that effect to the Company. Where such notice is given after the

meeting has been held, the validity of the meeting, or of any business conducted at it, shall not be affected

## **8 QUORUM FOR DIRECTORS' MEETINGS**

8 1 If a quorum is not present and participating in a Directors' meeting within 30 minutes from the time appointed for that meeting, or if, during a Directors' meeting, such quorum ceases to be present and participating, the meeting shall stand adjourned until such time as the Chairman or other Director chairing the meeting may determine. The Chairman or other Director chairing the meeting must give reasonable advance notice of the adjourned meeting to each other Director present. If a quorum is not present and participating in any such adjourned meeting within 30 minutes of the time specified, then those Eligible Directors present will constitute a quorum.

8 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 11 1 to authorise a Director's Conflict, if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

## **9. RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

## **DIRECTORS INTERESTS AND CONFLICTS**

### **10. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

10 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

10 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

10 1 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such existing or proposed transaction or arrangement in which he is interested,

10 1 3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,

10 1 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,

- 10 1 5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any company in which the Company is otherwise (directly or indirectly) interested, and
- 10 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected (within the meaning of section 252 of the Act) with him) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such company and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

## 11. DIRECTORS' CONFLICTS OF INTEREST

- 11 1 The Directors may, in accordance with the requirements set out in this article 11, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)
- 11 2 Any authorisation under this article 11 will be effective only if
  - 11.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,
  - 11 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
  - 11 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted
- 11 3 Any authorisation of a Conflict under this article 11 may (whether at the time of giving the authorisation or subsequently)
  - 11 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
  - 11 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,
  - 11 3 3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict,
  - 11 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,



- 11 3 5 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters
- 11 4 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 11 5 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to
  - 11 5 1 disclose such information to the Directors or to any Director or other officer or employee of the Company, or
  - 11 5 2 use or apply any such information in performing his duties as a Director,where to do so would amount to a breach of that confidence
- 11 6 Where the Directors authorise a Conflict
  - 11 6 1 the Interested Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict, and
  - 11 6 2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation
- 11 7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## **SHARES**

### **12. VOTING**

- 12 1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company
- 12 2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

### **13. DIVIDENDS**

Any Available Profits which the Company may determine to distribute to the holder(s) of any class of Shares in respect of any financial year will be distributed among the holder(s) of Shares of that class pro rata to their respective holdings of Shares of that class

### **14. RETURN OF CAPITAL**

14 1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority

14 1 1 first, in paying to the Shareholders in respect of each Share held a sum equal to the Issue Price of that Share together with any Arrears in respect of that Share and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the Shareholders pro rata to the aggregate amounts due under this article 14 1 1 to each such Share held, and

14 1 2 thereafter, in distributing the balance among the Shareholders pro rata to the number of Ordinary Shares held

### **15. PURCHASE OF OWN SHARES**

15 1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of

15 1 1 £15,000, and

15 1 2 the value of 5% of the Company's share capital

### **16. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

16 1 Subject to the remaining provisions of this article 16, the Directors are generally and unconditionally authorised, for the purposes of section 550 of the Act, to exercise any power of the Company to

16 1 1 offer or allot,

16 1 2 grant rights to subscribe for or to convert any security into, and

16 1 3 otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think fit

This authority is in substitution for all previous authorities (if any) conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act

- 16 2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company
- 16 3 Unless otherwise agreed by special resolution, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the Shareholders (on the date of the offer)(each an **Offeree**) in the respective proportions to the number of Ordinary Shares held by each such Shareholder as a percentage of the total number of Ordinary Shares held by all Shareholders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person
- 16 4 An offer made under article 16 3 shall
- 16 4 1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered,
- 16 4 2 remain open for a period of at least 15 Business Days from the date of service of the offer, and
- 16 4 3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 16 3 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe
- 16 5 If, on the expiry of an offer made in accordance with article 16 3, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement
- 16 6 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 16 3 shall be used to satisfy any requests for Excess Securities made pursuant to article 16 4 3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions to the number of Ordinary Shares held by each such applicant as a percentage of the total number of Ordinary Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him)
- 16 7 If, after completion of the allotments referred to in article 16 5 and article 16 6, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to article 16 8 be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders
- 16 8 The Directors may, as a condition to any allotment of Shares, require the allottee to

16 8 1 execute and deliver to the Company a deed, in favour of the Company and the other Shareholders agreeing to be bound by the terms of the Shareholders Agreement, in such form as the Directors may reasonably require, and

16 8 2 where the allottee is a current or prospective employee or director of any Group Company, enter into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

If any condition is imposed in accordance with this article 16 8, the allotment may not be registered unless and until that condition has been complied with

## **TRANSFERS OF SHARES**

### **17. TRANSFERS OF SHARES. GENERAL**

17 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or Encumbrance over that Share, but does not include the transmission of a Share to a transmittee in accordance with model article 27, and reference to a Share includes a beneficial or other interest in a Share

17 2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles Subject to article 17 3, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent

17 3 The Directors may, as a condition to the registration of

17 3 1 any transfer of a Share, or

17 3 2 any transmittee as the holder of a Share,

require the transferee or transmittee (as applicable) to

17 3 3 execute and deliver to the Company a deed, in favour of the Company and the other Shareholders agreeing to be bound by the terms of the Shareholders Agreement, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor), and

17 3 4 where the transferee is a current or prospective employee or director of any Group Company, enter into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

If any condition is imposed in accordance with this article 17 3, the transfer or holding (as applicable) may not be registered unless and until that condition has been complied with

17 4 To enable the Directors to determine whether or not there has been any breach

of these Articles or the Shareholders Agreement the Directors may require

- 17 4.1 any Shareholder (or the legal representatives of a deceased Shareholder), or
- 17 4 2 any person named as a transferee in a transfer lodged for registration, or
- 17 4 3 such other person as the Directors may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose

- 17 5 If any such information or evidence referred to in article 17 4 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the relevant Shareholder of that fact in writing and, if the Shareholder fails to remedy that situation to the reasonable satisfaction of the Directors within 15 Business Days of receipt of such written notice then the Directors may, by notice in writing to the Shareholder, determine that

- 17 5 1 the Shareholder's Relevant Shares shall cease to confer on the holder of them any rights

- 17 5 1 1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,

- 17 5 1 2 to receive dividends or other distributions otherwise attaching to those Shares, or

- 17 5 1 3 to participate in any future issue of Shares issued in respect of those Shares, and/or

- 17 5 2 a Transfer Notice shall be deemed to have been given in respect of some or all of the Shareholder's Relevant Shares with effect from the date of service of the notice (or such later date as may be specified in such notice)

The Directors may reinstate the rights referred to in article 17 5 1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 17 5 2 on completion of such transfer

- 17 6 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor
- 17 7 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share
- 17 8 The Company may retain any instrument of transfer which is registered

- 17 9 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it

## **18. PERMITTED TRANSFERS OF SHARES**

- 18 1 The Directors may approve any transfer of Shares without any restriction as to price or otherwise

- 18 2 Any transfer made pursuant to the provisions of this article 18

18 2 1 shall not be subject to the pre-emption rights set out in article 19, and

18 2 2 shall be registered by the Directors

## **19. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

- 19 1 Except where the provisions of article 18, article 22 or article 23 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 19

- 19 2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying

19 2 1 the number of Shares he wishes to transfer (**Sale Shares**),

19 2 2 the name of the proposed transferee, if any,

19 2 3 the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Transfer Price**), and

19 2 4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**)

- 19 3 A Transfer Notice (or Deemed Transfer Notice) constitutes the appointment of the Company as the agent of the Seller for the sale of the Sale Shares at the Transfer Price and on the terms set out in this article 19. A Transfer Notice once given or deemed to be given may not be withdrawn without the consent of the Directors

- 19 4 As soon as practicable following the later of

19 4 1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), and

19 4 2 in the case of a Deemed Transfer Notice, the determination of the Transfer Price,

*the Directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 19 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered*

- 19 5 The Directors shall offer the Sale Shares in the following order of priority
- 19 5 1 first, to
- 19 5 1 1 if the Seller is a consultant to, or a director or employee of, a Group Company, any person(s) that the Directors may nominate as the Seller's replacement(s), or
- 19 5 1 2 the Company,
- 19 5 2 second, to the holder(s) of Ordinary Shares,
- in each case on the basis set out in article 19 6 and article 19 7
- 19 6 The Directors shall offer the Sale Shares to the persons, and in the order of priority, referred to in article 19 5 (each an **Offeree**) inviting them to apply in writing within 15 Business Days after the date of the offer (**Offer Period**) for the maximum number of Sale Shares they wish to buy
- 19 7 If
- 19 7 1 at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Offeree who has applied for Sale Shares (each an **Applicant**)
- 19 7 1 1 in relation to an offer made in accordance with article 19 5 1, in such proportion as determined by the Directors, or
- 19 7 1 2 in relation to an offer made in accordance with article 19 5 2, in the proportion which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares held by all Applicants. Fractional entitlements shall be rounded down to the nearest whole number, save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors. No allocation shall be made to an Applicant of more than the maximum number of Sale Shares which he has stated he is willing to buy,
- 19 7 2 not all Sale Shares are allocated following allocations in accordance with article 19 7 1, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such Applicants in accordance with the procedure set out in article 19 7 1. The procedure set out in this article 19 7 2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied, and
- 19 7 3 at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Applicants in accordance with their applications and the balance shall be offered to those persons next

entitled as set out in article 19 5

19 8 Where the Transfer Notice contains a Minimum Transfer Condition

19 8 1 any allocation made under article 19 7 shall be conditional on the fulfilment of the Minimum Transfer Condition, and

19 8 2 if the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall notify the Seller and all Applicants to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

19 9 Where either

19 9 1 the Transfer Notice does not contain a Minimum Transfer Condition, or

19 9 2 allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under article 19 5 to article 19 7 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Applicant. The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least five Business Days, but not more than 15 Business Days, after the date of the Allocation Notice)

19 10 On the date specified for completion in the Allocation Notice

19 10 1 the Seller shall

19 10 1 1 deliver to the Applicants

19 10 1 1 1 stock transfer forms in favour of the Applicants relating to the Sale Shares allocated to them,

19 10 1 1 2 if the Company is an Applicant, a purchase contract relating to the purchase of the Sale Shares allocated to the Company in a form reasonably satisfactory to the Directors,

19 10 1 1 3 the share certificate(s) in respect of the Sale Shares allocated to the Applicants (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Directors may reasonably require to prove good title to the Sale Shares), and

19 10 1 1 4 such other documents (if any) as the Directors may reasonably require to give



effect to the sale and transfer of the relevant Sale Shares to the Applicants,

19 10 1 2 comply with any other requirements specified in the Allocation Notice, and

19 10 2 subject to the Seller complying with its obligations under article 19 10 1, the Applicants shall pay the Transfer Price to the Seller by electronic bank transfer or such other means of payment as may be agreed by the Applicants and the Seller

19 11 If the Seller fails to comply with article 19 10

19 11 1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller

19 11 1 1 complete, execute and deliver in his name all documents the Seller is required to deliver pursuant to article 19 10,

19 11 1 2 receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price),

19 11 1 3 (subject to the transfer being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them, and

19 11 2 the Applicants shall pay the Transfer Price to the Company and the Company shall hold it on trust (but without interest) for the Seller until it complies with article 19 10

19 12 Where an Allocation Notice does not relate to all the Sale Shares or the Transfer Notice lapses pursuant to article 19 8 2 then, subject to article 19 13, the Seller may, at any time during the three calendar months following the date of service of the Allocation Notice, transfer the Sale Shares (in the case of a lapsed offer) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 19 12 shall continue to be subject to any Minimum Transfer Condition

19 13 The Seller's right to transfer Shares under article 19 12 does not apply if the Directors reasonably consider that

19 13 1 the transferee is a person (or a nominee for a person) that is a competitor (or an Associate of, or interested directly or indirectly in, a competitor) of the business of a Group Company,

19 13 2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or

19 13 3 the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in article 19 13 2

## **20. COMPULSORY TRANSFERS**

20 1 Unless expressly provided otherwise in these Articles, in the event that

20 1 1 a Shareholder who is a natural person

20 1 1 1 dies, or

20 1 1 2 has a bankruptcy order made against him (or an order is made or other action taken in individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which has an effect similar to that of a bankruptcy order), or

20 1 2 a Shareholder that is a company

20 1 2 1 either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction in which a new company assumes (and is capable of assuming) all of the obligations of the Shareholder) or suffers or takes any equivalent action in any jurisdiction outside England and Wales,

20 1 2 2 is subject to a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010), or

20 1 3 an Employee Shareholder becomes a Departing Employee Shareholder, or

20 1 4 a Shareholder is in material breach of a Relevant Agreement and, where such breach is remediable, fails to remedy the breach within 15 Business Days of receiving notice to remedy the same from the Directors,

the Directors may direct that a Transfer Notice shall be deemed to have been given in respect of some or all of the Shareholder's Relevant Shares at such time as the Directors may determine, and any Transfer Notice served in respect of any of the Shareholder's Relevant Shares before the date of the Deemed Transfer Notice shall automatically lapse

20 2 Unless expressly provided otherwise in these Articles, any Deemed Transfer Notice shall be treated as having specified that

20 2 1 it does not contain a Minimum Transfer Condition, and

20 2 2 the Transfer Price is the Fair Value of the Sale Shares, as agreed by the Seller and the Directors or, in the absence of such agreement within 15 Business Days of the date of the Deemed Transfer Notice, certified by the Valuer in accordance with article 21

20 3 The Transfer Price in respect of a Deemed Transfer Notice served pursuant to

- article 20 1 3 shall, where the Departing Employee Shareholder is
- 20 3 1 a Bad Leaver, shall be restricted to a maximum of the lower of (i) the aggregate Issue Price of such Sale Shares and (ii) the aggregate Fair Value of such Sale Shares, and
  - 20 3 2 a Good Leaver, be the aggregate Fair Value of such Sale Shares,
- 20 4 Notwithstanding the provisions of article 20 3, the Directors may direct in writing that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to article 20 3
- 20 5 The Directors may, at any time after a Transfer Notice is deemed to be served under this article 20, direct that the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights
- 20 5 1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
  - 20 5 2 to receive dividends or other distributions otherwise attaching to those Shares, or
  - 20 5 3 to participate in any future issue of Shares issued in respect of those Shares
- 20 6 The Directors may reinstate the rights referred to in article 20 5 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to this article 20
- 20 7 Any Transfer Notice (but not an Offer Notice (as defined in article 22 3) or a Drag Along Notice (as defined in article 23 2)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice
- 20 8 Any transfer of a Share that is the subject of a Deemed Transfer Notice shall be deemed to include the following warranties given by the Seller
- 20 8 1 the Seller is the legal and beneficial owner of the Sale Shares, and
  - 20 8 2 the Seller is selling the Sale Shares with full title guarantee, and
  - 20 8 3 no Encumbrance affects the Sale Shares and no commitment has been given to create an Encumbrance affecting the Sale Shares and that no person has claimed any rights in respect thereof
- 20 9 For the purpose of article 20 1 3 the date upon which an Employee Shareholder becomes a Departing Employee Shareholder shall be
- 20 9 1 where the relevant Contract is terminated by the relevant Group Company by giving notice to the Employee Shareholder, the date of that notice (whether or not a payment is made by the relevant Group Company in lieu of all or part of the notice period required to be given

by the relevant Group Company in respect of such termination),

- 20 9 2 where the relevant Contract is terminated by the Employee Shareholder by giving notice to the relevant Group Company, the date of that notice,
- 20 9 3 save as provided in article 20 9 1, where the relevant Group Company or the Employee Shareholder wrongfully repudiates the relevant Contract and the other party accepts that the Contract has been terminated, the date of such acceptance,
- 20 9 4 where the relevant Contract is terminated under the doctrine of frustration, the date of the frustrating event, and
- 20 9 5 where the relevant Contract is terminated for any reason other than in the circumstances set out in articles 20 9 1 to 20 9 4 above, the date on which the action or event giving rise to the termination occurs

## **21. VALUATIONS**

- 21 1 A "Valuer" shall mean an accountant or other financial professional appointed in accordance with this article 21 to resolve a matter under these Articles
- 21 2 The Directors and the Seller (acting in good faith) shall use all reasonable endeavours to agree on the appointment of a Valuer and the terms of its appointment
- 21 3 If the Directors and the Seller are unable to agree on a Valuer or the terms of its appointment within five Business Days of the Directors or the Seller serving details of a suggested Valuer on the others, the Directors or the Seller shall then be entitled to request the then president of the Institute of Chartered Accountants in England and Wales appoint a Valuer who is an accountant of repute with experience in the valuation of private companies limited by shares and agree the Valuer's terms of appointment
- 21 4 The Valuer shall be required to prepare a written decision and give notice (including a copy) of the decision to the parties within a maximum of three months of the matter being referred to the Valuer
- 21 5 All matters under this article 21 shall be conducted, and the Valuer's decision shall be written, in the English language
- 21 6 The Directors and the Seller shall provide (or procure that others including the Company provide) the Valuer with such assistance, information and documents (including accounting records) as the Valuer may reasonably require for the purpose of reaching a decision
- 21 7 To the extent not provided for by this article 21, the Valuer may in its reasonable discretion determine such other procedures to assist with the conduct of the determination as it considers just or appropriate
- 21 8 The Directors and the Seller shall be entitled to make submissions to the Valuer and they shall each with reasonable promptness supply (and procure that others supply) the other parties with such information and access to

documentation and personnel as they may reasonably require to make a submission under this article 21 8

- 21 9 The Valuer shall act as an expert and not as an arbitrator. The Valuer's written decision on the matters referred to it shall be final and binding in the absence of manifest error or fraud
- 21 10 The Company and the Seller shall bear their own costs in relation to the reference to the Valuer. The Valuer's fees and any costs properly incurred by it in arriving at its determination (including any fees and costs of any advisers appointed by the Valuer) shall be borne by the Company unless the Fair Value for the Sale Shares certified by the Valuer is less than the price for the Sale Shares (if any) offered by the Directors to the Seller before the Valuer was instructed, in which case the Seller shall bear the fees and costs of the Valuer
- 21 11 If the Valuer is instructed to certify the Fair Value of any Shares in the Company, the Fair Value of such Shares shall be the value that the Valuer certifies to be the fair market value in its opinion as at the day on which the Valuer's report is finalised based on the following assumptions
- 21 11 1 the value of the Shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Seller's shareholding),
- 21 11 2 the sale is between a willing buyer and a willing seller contracting on arm's-length terms,
- 21 11 3 the Shares are capable of being transferred without restriction,
- 21 11 4 if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so, and
- 21 11 5 any other factors that the Valuer reasonably believes should be taken into account
- 21 12 If any difficulty arises in applying any of these assumptions or bases then the Valuer shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit

## **22 TAG ALONG RIGHTS**

- 22 1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 17 9, article 23, or article 24, but after the operation of the pre-emption procedure set out in article 19), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person Acting in Concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 22 shall apply
- 22 2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer to each Shareholder (each an **Offeree**) in accordance with the terms of this article 22 (the **Offer**)

- 22 3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 15 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**) To the extent not described in any accompanying documents, the Offer Notice shall specify
- 22 3 1 the identity of the Buyer and any person(s) Acting in Concert with the Buyer, and the number of Shares that will be held by the Buyer (and any persons Acting in Concert with the Buyer) on completion of the Proposed Transfer,
- 22 3 2 the number of Shares held by the Offeree to which the Offer relates, which shall be all Shares held by the Offeree,
- 22 3 3 the consideration payable per Share (**Offer Price**) and the terms on which the consideration is payable (including details of any deferred and/or contingent payment terms), which in each case shall not be *less favourable than the consideration payable, and the terms on which the consideration is payable, to the Seller in connection with the Proposed Transfer,*
- 22 3 4 the Sale Date and state that the Offer is open for acceptance during the Offer Period, and
- 22 3 5 any other terms and conditions of the Offer
- 22 4 The Offer shall be unconditional or subject to a condition that if its conditions are not satisfied the Proposed Transfer shall not proceed
- 22 5 If there is any disagreement as to the amount of the Offer Price, the disagreement shall, if not resolved within 10 Business Days of it arising, be referred for determination to the Valuer in accordance with article 21 whose determination shall be final and binding
- 22 6 The completion of the Proposed Transfer shall be conditional in all respects on
- 22 6 1 the making of an Offer in accordance with this article 22, and
- 22 6 2 the completion of the transfer of any Shares by any Shareholder (each an **Accepting Shareholder**) who accepts the Offer within the Offer Period,
- and the Directors shall refuse to register any Proposed Transfer made in breach of this article 22
- 22 7 The Proposed Transfer is, but the purchase of Shares from Accepting Shareholders pursuant to an Offer made under this article 22 shall not be, subject to the pre-emption provisions of article 19

## 23. DRAG ALONG RIGHTS

- 23 1 If a Shareholder Majority (the **Selling Shareholders**) wish to transfer all of their respective interests in Shares (**Selling Shareholders' Shares**) to an arm's-length purchaser (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other Shareholders on the date

of the request (**Called Shareholders**) to sell and transfer all their respective interests in Shares and any other securities convertible into, or carrying the right to subscribe for Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 23

- 23 2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Selling Shareholders' Shares, to the Proposed Buyer and each Called Shareholder A Drag Along Notice shall specify
- 23 2 1 that the Called Shareholders are required to transfer all their Shares and any other securities convertible into, or carrying the right to subscribe for Shares (**Called Shares**) pursuant to this article 23,
- 23 2 2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),
- 23 2 3 the consideration payable for the Called Shares and the terms on which the consideration is payable (including details of any deferred and/or contingent payment terms), which in each case shall not be less favourable than the consideration payable, and the terms on which the consideration is payable, for the Selling Shareholders' Shares,
- 23 2 4 the proposed date of completion of transfer of the Called Shares, and
- 23 2 5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the **Sale Agreement**)
- 23 3 If there is any disagreement as to the amount of the consideration payable for the Called Shares, the disagreement shall, if not resolved within 10 Business Days of it arising, be referred for determination to the Valuer in accordance with article 21 whose determination shall be final and binding
- 23 4 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Selling Shareholders' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 90 days of serving the Drag Along Notice The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 23 5 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Selling Shareholders' Shares unless
- 23 5 1 all of the Called Shareholders and the Selling Shareholders otherwise agree, or
- 23 5 2 that date is less than 15 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 15 Business Days after the date of service of the Drag Along Notice

- 23 6 At completion of the sale and purchase of the Called Shares
- 23 6 1 each Called Shareholder shall deliver to the Company (together the "Drag Documents")
- 23 6 1 1 a stock transfer form in respect of its Called Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct) duly executed by the Called Shareholder, together with the relevant certificate(s) (or a suitable indemnity in respect thereof) and such other documents as the Proposed Buyer may reasonably require to show good title to such Called Shares or enable it to be registered as the holder of such Called Shares,
- 23 6 1 2 the resignations of any Directors appointed by the Called Shareholder to take effect at completion and acknowledging that they have no claims against the Company, and
- 23 6 1 3 a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,
- 23 6 2 the Company shall pay to the Called Shareholders, on behalf of the Proposed Buyer, the amounts (if any) they are respectively due for their Called Shares at completion to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due to Called Shareholders shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest
- 23 7 To the extent that the Proposed Buyer has not, at completion of the sale and purchase of the Called Shares, paid to the Called Shareholders or put the Company in funds to pay to the Called Shareholders the amounts (if any) due to them at completion, the Called Shareholders shall be entitled to the return of the stock transfer forms, share certificates (or suitable indemnities) and other documents delivered to the Company pursuant to article 23 6
- 23 8 If any Called Shareholder fails to comply with article 23 6, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this article 23 and the Directors shall, if requested by the Proposed Buyer, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Buyer to the extent the Proposed Buyer has, by the completion date, paid to the Company the amount (if any) due for the Called Shares at completion. The Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Called Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to be paid the consideration due to him on the terms set out in the Drag Along Notice



- 23 9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 23 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares
- 23 10 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 19
- 23 11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice

#### **24. NEW HOLDING COMPANY**

- 24 1 This article 24 applies where it is proposed by the Directors (acting with Shareholder Consent) that the entire issued share capital of the Company be acquired by way of share exchange (the **Share Exchange**) by a newly incorporated company with no previous trading history (a **New Holding Company**), such that immediately subsequent to such acquisition
- 24 1 1 the number and class of shares comprised in the issued share capital of the New Holding Company, the identity of the shareholders of the New Holding Company and the number and class of shares held by each such person would be the same (save for the fact that such shares are issued by a different company) as the issued share capital of the Company, the identity of the shareholders of the Company and the number and class of shares held by each such person immediately prior to such acquisition,
- 24 1 2 the rights attaching to each class of share comprised in the New Holding Company are the same (save for the fact that such shares are issued by a different company) as those rights attaching to the like class of share comprised in the share capital of the Company immediately prior to such acquisition, and
- 24 1 3 the articles of association of the New Holding Company are the same (save for the fact that they apply in respect of a different company and such amendments as may be necessary to give effect to article 24 1 2) as these Articles immediately prior to such acquisition
- 24 2 Each Shareholder shall execute such documentation as the Directors (acting with Shareholder Consent) may determine to be reasonably necessary or desirable to give effect to, or otherwise facilitate, such Share Exchange, which may include a share exchange agreement pursuant to which each Shareholder transfers its entire shareholding in the Company in consideration of the issue

of shares in the New Holding Company, stock transfer forms giving effect to such transfer of shares, a novation of this agreement pursuant to which the New Holding Company assumes the rights and obligations of the Company and each other party assumes the same obligations as they each have in this agreement but so that every reference therein to the Company is a reference to the New Holding Company and such further documentation as may be necessary or desirable (if so determined by the Directors) concerning the analogous treatment of Relevant Securities in the Company (other than Shares) (for example, the exchange of options granted by the Company for replacement options granted by the New Holding Company)

- 24 3 For the avoidance of doubt, no transfer of shares pursuant to this article 24 shall trigger the tag along rights in article 22

## **COMPANY'S LIEN**

### **25 COMPANY'S LIEN**

- 25 1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future
- 25 2 The Company's Lien over a Share
- 25 2 1 takes priority over any third party's interest in that Share, and
- 25 2 2 extends to any dividend or other money payable by the Company in respect of that Share and (if the Company's Lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share
- 25 3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part

### **26 ENFORCEMENT OF THE COMPANY'S LIEN**

- 26 1 Subject to the provisions of this article 26, if
- 26 1 1 a Lien Enforcement Notice has been given in respect of a Share, and
- 26 1 2 the person to whom the notice was given has failed to comply with it,
- the Company may sell that Share in such manner as the Directors decide
- 26 2 A Lien Enforcement Notice
- 26 2 1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- 26 2 2 must specify the Share concerned,

- 26 2 3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
  - 26 2 4 must be addressed either to the holder of the Share or to a transmittee of that holder, and
  - 26 2 5 must state the Company's intention to sell the Share if the notice is not complied with
- 26 3 Where Shares are sold under this article 26
- 26 3 1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
  - 26 3 2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- 26 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied
- 26 4 1 first, in payment of so much of the sum for which the Company's Lien exists as was payable at the date of the Lien Enforcement Notice, and
  - 26 4 2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice
- 26 5 A statutory declaration by a Director that the declarant is a Director and that a Share has been sold to satisfy the Company's Lien on a specified date
- 26 5 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
  - 26 5 2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share

## **27. DEDUCTIONS FROM DISTRIBUTIONS**

- 27 1 If
  - 27 1 1 a Share is subject to the Company's Lien, and
  - 27 1 2 the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice

- 27 2 Money so deducted must be used to pay any of the sums payable in respect of that Share
- 27 3 The Company must notify the distribution recipient in writing of
  - 27 3 1 the fact and amount of any such deduction,
  - 27 3 2 any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction, and
  - 27 3 3 how the money deducted has been applied

## **ADMINISTRATIVE ARRANGEMENTS**

### **28. MEANS OF COMMUNICATION TO BE USED**

- 28 1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient
  - 28 1 1 if delivered by hand to an address inside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address,
  - 28 1 2 if sent by pre-paid first-class post, recorded delivery or special delivery to an address inside the country from which it is sent, at 9 00 am on the second Business Day after posting, or
  - 28 1 3 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9 00 am on the fifth Business Day after posting, or
  - 28 1 4 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address, or
  - 28 1 5 if sent by fax, at the time of transmission, or
  - 28 1 6 if sent or supplied by email, one hour after the notice, document or information was sent or supplied, or
  - 28 1 7 if sent or supplied by means of a website, when the notice, document or information is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the notice, document or information is available on the website, or
  - 28 1 8 if deemed receipt under the previous paragraphs of this article 28 1 is not within business hours (meaning 9 00 am to 5 30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9 00 am on the day when business next starts in the place

of deemed receipt

- 28 2 To prove service, it is sufficient to prove that
- 28 2 1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address, or
  - 28 2 2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number, or
  - 28 2 3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted, or
  - 28 2 4 if sent by email, the notice was properly addressed and sent to the email address of the recipient
- 28 3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act

## **29. DATA PROTECTION**

- 29 1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a **Recipient**) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually
- 29 2 The personal data that may be processed for such purposes under this article 29 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to
- 29 2 1 a Member of the Same Group as the Recipient (each a **Member of the Recipient's Group**),
  - 29 2 2 employees, Directors and professional advisers of that Recipient or any Member of the Recipient's Group, and
  - 29 2 3 funds managed by any Member of the Recipient's Group
- 29 3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so

## **30. INDEMNITY AND INSURANCE**

- 30 1 Subject to article 30 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- 30 1 1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer
- 30 1 1 1 in the actual or purported execution and/or discharge of his duties, or in relation to them, and
- 30 1 1 2 in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),
- including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and
- 30 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 30 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure
- 30 2 This article 30 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law
- 30 3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss
- 30 4 In this article 30
- 30 4 1 a "relevant officer" means any Director or other officer or former Director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor),
- 30 4 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
- 30 4 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same company